IN THE CLAIMS

1. (currently amended) A network-based parts distribution system comprising:

a plurality of buyer computers for operation by a system participant desiring to obtain one or more parts;

a plurality of seller computers for operation by a system participant desiring to sell one or more parts;

at least one server computer, wherein said buyer computers, said seller computers and said server computer are interconnected as a computer network, said server computer being programmed to receive part related data from said seller computers and use said data to maintain a database of all available parts and to receive part requests from said buyer computers and select one or more parts from said database in response to said requests, wherein said parts in said database are sorted into a plurality of inventory categories, and wherein said parts in at least one of said inventory categories are further sorted into a plurality of sub-inventory categories based upon part condition. condition:

a signed master agreement between said system participants, including said system participants desiring to sell parts and said system participants wishing to obtain parts, said master agreement specifying terms of blanket purchase orders and said master agreement providing for auditing to check accuracy of said part-related data received from said seller computer; and

said server computer configured to relay a purchase order consistent with said specified terms of blanket purchase orders issued by one of said buyer computers to an appropriate one of said seller computers.

2. (original) The parts distribution system of claim 1 wherein said server computer selects parts according to a buyer-specific picking order.

- 3. (cancelled)
- 4. (cancelled)
- 5. (cancelled)
- 6. (original) The parts distribution system of claim 1 wherein said computer network is the Internet.
- 7. (currently amended) A method of distributing parts, said method comprising the steps of:

obtaining agreements from system participants, including buyers and sellers, to join in a network-based, automated virtual warehouse parts distribution system, including agreements to terms of blanket purchase orders and auditing to check accuracy of data describing parts posted by sellers;

providing a plurality of buyer computers for operation by a system participant desiring to obtain one or more parts;

providing a plurality of seller computers for operation by a system participant desiring to sell one or more parts;

providing at least one server computer, wherein said buyer computers, said seller computers and said server computer are interconnected as a computer network;

using said seller computers to input part related data to said server computer;

using said data to maintain a database of all available parts, said step of maintaining said database including sorting said parts in said database into a plurality of inventory categories, wherein said parts in at least one of said inventory categories are further sorted into a plurality of sub-inventory categories based upon part condition;

using said buyer computers to transmit part requests to said server computer; and selecting one or more parts from said database in response to said requests.

- 8. (original) The method of claim 7 wherein said step of selecting one or more parts from said database includes selecting parts according to a buyer-specific picking order.
- 9. (currently amended) The method of claim 7 further comprising the step of using said server computer to relay a purchase order consistent with the agreement and issued by one of said buyer computers to an appropriate one of said seller computers.
 - 10. (cancelled)
 - 11. (cancelled)
 - 12. (original) The method of claim 7 wherein said computer network is the Internet.
- 13. (new) A method for distributing parts between system participants, said method comprising:

obtaining agreements from system participants, including buyers and sellers, to join in a network-based, automated virtual warehouse parts distribution system, including agreements to terms of blanket purchase orders and auditing to check accuracy of data describing parts posted by sellers;

operating a server computer to receive, via a computer network, descriptions of data corresponding of parts being offered for sale by the sellers, to receive, via the computer network, requests for desired parts by the buyers, to identify suitable parts from a pool of available said parts being offered for sale by the sellers, and to issue an instruction to a computer used by the buyer to issue a purchase order consistent with the agreement of the buyer identifying the parts meeting the request.

- 14. (new) A method in accordance with claim 13 further comprising operating the server computer to identify suitable parts for the buyer in accordance with a buyer's specified picking order.
- 15. (new) A method in accordance with claim 13 further comprising operating the server computer to maintain a database of available parts, including descriptions of conditions of used parts offered for sale.
- 16. (new) A method in accordance with claim 13 including obtaining an agreement from a system participant who is both a buyer and a seller.
- 17. (new) A method in accordance with claim 13 further comprising operating the server to issue an instruction to the computer used by the buyer to issue a plurality of purchase orders, one to each seller of a part, in an instance in which not all parts needed to fulfill the buyer's request are supplied by the same seller.
 - 18. (new) A method in accordance with claim 13 further comprising:

operating the server to divide the parts offered for sale into a plurality of inventory categories and sub-categories; and

programming the server with maximum and minimum inventory limits for subinventory categories.

- 19. (new) A method in accordance with claim 18 further comprising operating the server to accept no more parts in a sub-category when the sub-inventory category is at the maximum inventory limit.
- 20. (new) A method in accordance with claim 18 further comprising operating the server to notify a seller that more parts in a sub-inventory category are needed when the sub-inventory category falls below the minimum inventory limit.

21. (new) A method in accordance with Claim 13 wherein the parts comprise aircraft parts, including used aircraft parts.